

**REMARKS/ARGUMENTS**

Favorable consideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1-6 and 9-16 are presently pending in this application, Claims 1-6, 9-12 and 14 having been amended by the present amendment.

In the outstanding Office Action, the title of the invention was objected to for not being descriptive; Claims 1 and 11-15 were rejected under 35 U.S.C. §103(a) as being unpatentable over Asakawa et al. (U.S. Patent 5,892,598) in view of Date et al. (U.S. Patent 6,618,104), in view of Nishiyama et al. (U.S. Patent 6,507,385), in view of WO 2000/23539 (hereinafter “WO ‘539”), and further in view of Okuda et al. (U.S. Patent 6,144,424); Claims 3, 4, 9, 10 and 16 were rejected under 35 U.S.C. §103(a) as being unpatentable over Asakawa et al., Date et al., Nishiyama et al., WO ‘539, and Okuda et al., and further in view of Kobayashi et al. (U.S. Patent 6,261,650); Claim 2 was rejected under 35 U.S.C. §103(a) as being unpatentable over Asakawa et al., Date et al., Nishiyama et al., WO ‘539, and Okuda et al., and further in view of Hirai et al. (U.S. Patent 5,103,327); and Claims 5 and 6 were rejected under 35 U.S.C. §103(a) as being unpatentable over Asakawa et al., Date et al., Nishiyama et al., WO ‘539, and Okuda et al., and further in view of Sullivan (U.S. Patent 6,100,862).

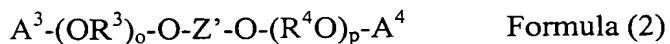
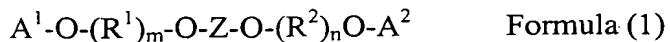
First, Applicants acknowledge with appreciation the courtesy of an interview granted to Applicants’ representatives on July 11, 2006. During the interview, the outstanding issues were discussed and arguments in support of the patentability were presented. On the following bases, the outstanding rejections are traversed.

In response to the objection to the title of the present application, a new title for the subject invention has been submitted herewith. The new title is believed to be fully

descriptive of the present invention and no further objection to the title is therefore anticipated.

Claims 1-6, 9-12 and 14 have been amended herein. These claim amendments are believed to find clear support in the original disclosure of the present application, for example, the specification, page 17, lines 6-9, page 27, lines 11-22 and Fig. 38. Hence, no new matter is believed to be added thereby.

Briefly recapitulating, Claim 1 as currently amended is directed to a composite display device including at least one display member configured to display an image by superimposing the image on a background image transmitted through the at least one display member. The at least one display member includes an electro-optical element which includes a pair of substrates having transparent electrodes to which a voltage is applied and a composite layer interposed between the transparent electrodes. The electro-optical element is configured to transmit light at a light transmittance of at least 80% where no voltage is applied and scatter light where the voltage is applied. The composite layer is comprised of a liquid crystal/cured resin composite including liquid crystal and a cured product of a curable compound soluble to the liquid crystal. Furthermore, a peripheral portion of the electro-optical element, excluding a connecting portion to an external circuit formed in the peripheral portion of the electro-optical element, is transparent. The curable compound is comprised of at least one compound selected from the group consisting of compounds of Formula (1) and Formula (2):



where each of  $A^1$ ,  $A^2$ ,  $A^3$  and  $A^4$ , which are independent of one another, is an acryloyl group, a methacryloyl group, a glycidyl group or an allyl group; each of  $R^1$ ,  $R^2$ ,  $R^3$  and  $R^4$ , which are independent of one another, is an alkylene group having a carbon number of from 2 to 6; each

of Z and Z', which are independent of each other, is a bivalent mesogen structural portion; and each of m, n, o and p, which are independent of one another, is an integer of from 1 to 10; and mixtures thereof. By providing such a display member, the composite display device achieves a dynamic display while allowing an observer to see objects through the display device with higher visibility.

The outstanding Office Action asserts that Claim 1 is obvious over Asakawa et al., in view of Date et al., Nishiyama et al., and WO '539 and further in view of Okuda et al. because “[i]t would ... have been obvious ... to have the peripheral portion, excluding a connecting portion to an external circuit formed in a peripheral portion of the electro-optical element, be transparent, motivated by *Okuda's* teaching that this is desirable.” However, it is respectfully submitted that in order to properly combine or modify references for the purpose of the obviousness rejection, *the references must suggest the desirability of a proposed combination or modification beyond the mere fact that references can be combined or modified.*<sup>1</sup> CAFC established that *substantial evidence of motivation or teaching must be shown for combining or modifying the references,*<sup>2</sup> and also that such modification requires “*clear and particular evidence.*”<sup>3</sup>

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<sup>1</sup> MPEP 2143.01, In re Mills, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990). See also MPEP 2144.08 III stating that “[e]xplicit findings on motivation or suggestion to select the claimed invention should also be articulated in order to support a 35 U.S.C. 103 ground of rejection .... Conclusory statements of similarity or motivation, without any articulated rational or evidentiary support, do not constitute sufficient factual findings.”

<sup>2</sup> In re Gartside, 203 F3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2000) (holding that, consistent with the Administrative Procedure Act at 5 USC 706(e), the CAFC reviews the Board's decisions based on factfindings, such as 35 U.S.C. § 103(a) rejections, using the 'substantial evidence' standard because these decisions are confined to the factual record compiled by the Board.).

<sup>3</sup> In re Dembiczak, 175 F3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) ("We have noted that evidence of a suggestion, teaching, or motivation to combine/modify may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved, although 'the suggestion more

Specifically, Okuda et al. describes in Embodiment 27 a display device including substrates 4501, 4502, a top electrode 4503, a patterned electrode 4504 and a wiring portion 4505, and this device displays the pattern 4504 when the voltage is *not* applied. That is, the Okuda et al. device utilizes a normal mode polymer dispersed liquid crystal (PDLC) which transmits light when a voltage is supplied to electrodes. The Okuda et al. device also discusses that a transparent resin 4507 may be formed on the wiring electrode 4505 and on the substrate periphery so that “the other portions including the wiring portion 4505 ... are always transparent, and unwanted scattered images are not produced.”<sup>4</sup> Since the transparent resins are formed as such in the Okuda et al. device, only a small central region 4506 illustrated in Fig. 45 contains liquid crystal and is used to display an image, and other portions including the resins cannot be utilized for image displays. Still, the Okuda et al. device has such a structure because the Okuda et al. device includes normal mode PDLC which turns to a light transmitting state only when a voltage is applied and the transparency of the device could be less uniform depending on the stability and response characteristics of the liquid crystal to the applied voltage. Therefore, it is respectfully submitted that the peripheral structure of the Okuda et al. device cannot be directly applicable to a reverse mode PDLC device. In view of these discussions, the proposed combination is believed to lack a proper motivation, and the teachings of Okuda et al. cannot be properly combined at least with Date et al. which is directed to reverse mode PDLC. Accordingly, Applicants respectfully request withdrawal of the outstanding obviousness rejection based on the proposed combination of Okuda et al., Asakawa et al., Date et al., Nishiyama et al. and WO ‘539.

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often comes from the teachings of the pertinent references.’ The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular.”) (emphasis added).

<sup>4</sup> Okuda et al., column 33, lines 42-44.

For the foregoing reasons, Claim 1 is believed to be allowable. Furthermore, since Claims 2-6 and 9-16 depend ultimately from Claim 1, substantially the same arguments set forth above also apply to these dependent claims. Hence, Claims 2-6 and 9-16 are believed to be allowable as well.

In view of the amendments and discussions presented above, Applicants respectfully submit that the present application is in condition for allowance, and an early action favorable to that effect is earnestly solicited.

Respectfully submitted,

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